HOUSE BILL No. 1128

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-5.7; IC 27-13-36.2.

Synopsis: Health provider reimbursement. Specifies certain requirements for an insurer or a health maintenance organization in adjusting subsequent claims to obtain reimbursement for an overpaid claim. Prohibits a denial or limitation of coverage for a preauthorized service by an insurer or a health maintenance organization except in certain circumstances. Specifies requirements of reimbursement by an insurer or a health maintenance organization for certain services.

Effective: July 1, 2003.

Pelath

January 7, 2003, read first time and referred to Committee on Insurance, Corporations and Small Business.

Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1128

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-8-5.7-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2.7. As used in this chapter, "health care service" has the meaning set forth in IC 27-8-11-1.**

SECTION 2. IC 27-8-5.7-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9. (a) An insurer may not, more than six (6) months after the date on which:**

(1) a claim was filed by a provider; and

(2) an overpayment on the claim described in subdivision (1) was made to the provider by the insurer;

adjust a subsequent claim filed by the provider as a method of obtaining reimbursement of the overpayment from the provider.

(b) Every adjusted subsequent claim described in subsection (a) must be accompanied by an explanation of the reason for the adjustment, including:

(1) an identification of the:

(A) claim on which the overpayment was made; and

(B) party financially responsible for the overpaid amount; and

(2) the amount of the overpayment that is being reimbursed to the insurer through the adjusted subsequent claim.

SECTION 3. IC 27-8-5.7-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10. An insurer may not deny or limit coverage of a health care service that has been preauthorized by the insurer and performed for any reason other than that:**

(1) the insured's medical condition on the date that the health care service was performed was such that performance of the health care service was unnecessary; or

(2) coverage was not in effect on the date that the health care service was performed.

SECTION 4. IC 27-8-5.7-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11. An insurer shall:**

(1) reimburse a provider:

(A) for each covered health care service specified on a claim form submitted by a provider; and

(B) under the diagnostic or procedure code, including a procedure code with modifiers, described in IC 27-13-41-1 that applies to the health care service;

(2) reimburse a provider:

(A) for each covered surgical procedure performed in a single operative episode of care; and

(B) under the diagnostic or procedure code described in IC 27-13-41-1 that applies to the surgical procedure; and

(3) not establish one (1) fixed rate of reimbursement for multiple surgical procedures performed in a single operative episode of care.

SECTION 5. IC 27-13-36.2-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. (a) A health maintenance organization may not, more than six (6) months after the date on which:**

(1) a claim was filed by a provider; and

(2) an overpayment on the claim described in subdivision (1) was made to the provider by the health maintenance organization;

adjust a subsequent claim filed by the provider as a method of

obtaining reimbursement of the overpayment from the provider.

(b) Every adjusted subsequent claim described in subsection (a) must be accompanied by an explanation of the reason for the adjustment, including:

(1) an identification of the:

(A) claim on which the overpayment was made; and

(B) party financially responsible for the amount overpaid; and

(2) the amount of the overpayment that is being reimbursed to the health maintenance organization through the adjusted subsequent claim.

SECTION 6. IC 27-13-36.2-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. A health maintenance organization may not deny or limit coverage of a health care service that has been preauthorized by the health maintenance organization and performed for any reason other than that:**

(1) the enrollee's medical condition on the date that the health care service was performed was such that performance of the health care service was unnecessary; or

(2) coverage was not in effect on the date that the health care service was performed.

SECTION 7. IC 27-13-36.2-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9. A health maintenance organization shall:**

(1) reimburse a provider:

(A) for each covered health care service specified on a claim form submitted by a provider; and

(B) under the diagnostic or procedure code, including a procedure code with modifiers, described in IC 27-13-41-1 that applies to the health care service;

(2) reimburse a provider:

(A) for each covered surgical procedure performed in a single operative episode of care; and

(B) under the diagnostic or procedure code described in IC 27-13-41-1 that applies to the surgical procedure; and

(3) not establish one (1) fixed rate of reimbursement for multiple surgical procedures performed in a single operative episode of care.